

## SENATE BILL No. 473

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-18.5-2.

**Synopsis:** Cap on property tax increases. Limits the assessed value growth quotient used in determining maximum levies to 2%.

**Effective:** July 1, 2004.

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**Miller**

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January 13, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 473

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-18.5-2, AS AMENDED BY  
2 P.L.192-2002(ss), SECTION 35, IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) As used in this  
4 section, "Indiana nonfarm personal income" means the estimate of total  
5 nonfarm personal income for Indiana in a calendar year as computed  
6 by the federal Bureau of Economic Analysis using any actual data for  
7 the calendar year and any estimated data determined appropriate by the  
8 federal Bureau of Economic Analysis.  
9       (b) For purposes of determining a civil taxing unit's maximum  
10 permissible ad valorem property tax levy for an ensuing calendar year,  
11 the civil taxing unit shall use the assessed value growth quotient  
12 determined in the last STEP of the following STEPS:  
13       STEP ONE: For each of the six (6) calendar years immediately  
14 preceding the year in which a budget is adopted under  
15 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana  
16 nonfarm personal income for the calendar year by the Indiana  
17 nonfarm personal income for the calendar year immediately



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preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and ~~six hundredths (1.06)~~ **two hundredths (1.02)**.

SECTION 2. [EFFECTIVE JULY 1, 2004] **IC 6-1.1-18.5-2, as amended by this act, applies only to budget years beginning after December 31, 2004.**

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